

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5025
ANSWERED ON:16.12.2016
Foreign Loan to Andhra Pradesh
Galla Shri Jayadev

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that Asian Development Bank (ADB) has sanctioned loans for various institutions/developmental projects including construction of new capital in Andhra Pradesh;
(b) If so, the details thereof; and
(c) the details of the funds sanctioned for the purpose along with the number of installments and the time period by which the said amount is likely to be released?

Answer

(a), (b) and (c): The Visakhapatnam- Chennai Industrial Corridor Development Program (VCICDP) was negotiated in June, 2016 and approved by the ADB Board in September, 2016. The approved \$ 631 million (in loans and grants from ADB) are for VCIC development.

The VCICDP comprises a multitranche financing facility (MFF), a grant, a policy-based loan (PBL), and a technical assistance. The Details are as follows:

- \$500 million two-tranche MFF to build key infrastructure
 - \$125 million two-tranche PBL to support policy reforms and institutional development in the state
 - \$5 million grant from the multi-donor Urban Climate change Resilience Trust Fund that is managed by ADB to build climate change resilient infrastructure in Visakhapatnam.
 - \$1 million technical assistance to help the Andhra Pradesh local government implement policy reforms
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- The government of Andhra Pradesh will provide additional funding of \$215 million to the \$846 million project.
- Project 1 of the MFF comprises a loan for \$245 million and a grant for \$5 million. The completion date is June, 2023.
